

## SENATE BILL No. 230

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-33-12-6; IC 12-23-2.

**Synopsis:** Riverboat admissions tax for mental health. Requires all riverboat admissions taxes paid to the division of mental health and addiction to be used for the prevention and treatment of compulsive gambling. (Current law requires at least 25% of the taxes to be dedicated to the prevention and treatment of compulsive gambling.) Adjusts the spending provisions of the addiction services fund to account for the admissions tax requirement.

**Effective:** July 1, 2008.

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**Becker**

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January 8, 2008, read first time and referred to Committee on Commerce, Public Policy & Interstate Cooperation.

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Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## SENATE BILL No. 230

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 4-33-12-6, AS AMENDED BY P.L.233-2007,  
2       SECTION 16, AND AS AMENDED BY P.L.234-2007, SECTION  
3       280, IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
4       [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) The department shall place  
5       in the state general fund the tax revenue collected under this chapter.

6       (b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7,  
7       the treasurer of state shall quarterly pay the following amounts:

8               (1) Except as provided in subsection (k), one dollar (\$1) of the  
9               admissions tax collected by the licensed owner for each person  
10              embarking on a gambling excursion during the quarter or  
11              admitted to a riverboat that has implemented flexible scheduling  
12              under IC 4-33-6-21 during the quarter shall be paid to:

13              (A) the city in which the riverboat is docked, if the city:

14                      (i) is located in a county having a population of more than  
15                      one hundred ten thousand (110,000) but less than one  
16                      hundred fifteen thousand (115,000); or

17                      (ii) is contiguous to the Ohio River and is the largest city in



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1 the county; and  
 2 (B) the county in which the riverboat is docked, if the  
 3 riverboat is not docked in a city described in clause (A).  
 4 (2) Except as provided in subsection (k), one dollar (\$1) of the  
 5 admissions tax collected by the licensed owner for each person:  
 6 (A) embarking on a gambling excursion during the quarter; or  
 7 (B) admitted to a riverboat during the quarter that has  
 8 implemented flexible scheduling under IC 4-33-6-21;  
 9 shall be paid to the county in which the riverboat is docked. In the  
 10 case of a county described in subdivision (1)(B), this one dollar  
 11 (\$1) is in addition to the one dollar (\$1) received under  
 12 subdivision (1)(B).  
 13 (3) Except as provided in subsection (k), ten cents (\$0.10) of the  
 14 admissions tax collected by the licensed owner for each person:  
 15 (A) embarking on a gambling excursion during the quarter; or  
 16 (B) admitted to a riverboat during the quarter that has  
 17 implemented flexible scheduling under IC 4-33-6-21;  
 18 shall be paid to the county convention and visitors bureau or  
 19 promotion fund for the county in which the riverboat is docked.  
 20 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of  
 21 the admissions tax collected by the licensed owner for each  
 22 person:  
 23 (A) embarking on a gambling excursion during the quarter; or  
 24 (B) admitted to a riverboat during a quarter that has  
 25 implemented flexible scheduling under IC 4-33-6-21;  
 26 shall be paid to the state fair commission, for use in any activity  
 27 that the commission is authorized to carry out under IC 15-1.5-3.  
 28 (5) Except as provided in subsection (k), ten cents (\$0.10) of the  
 29 admissions tax collected by the licensed owner for each person:  
 30 (A) embarking on a gambling excursion during the quarter; or  
 31 (B) admitted to a riverboat during the quarter that has  
 32 implemented flexible scheduling under IC 4-33-6-21;  
 33 shall be paid to the division of mental health and addiction. The  
 34 division shall allocate ~~at least twenty-five percent (25%)~~ all of the  
 35 funds derived from the admissions tax to the prevention and  
 36 treatment of compulsive gambling.  
 37 (6) Except as provided in subsection (k) *and section 7 of this*  
 38 *chapter*, sixty-five cents (\$0.65) of the admissions tax collected  
 39 by the licensed owner for each person embarking on a gambling  
 40 excursion during the quarter or admitted to a riverboat during the  
 41 quarter that has implemented flexible scheduling under  
 42 IC 4-33-6-21 shall be paid to the Indiana horse racing commission

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to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) ~~Twenty-five~~ Twenty-two percent ~~(25%)~~ (22%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) ~~Twenty~~ Twenty-two and seventy-five hundredths percent ~~(20%)~~ (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) ~~Twenty~~ Twenty-two and seventy-five hundredths percent ~~(20%)~~ (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county

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executive.

(C) ~~Sixty~~ Fifty-four and five-tenths percent ~~(60%)~~ (54.5%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. ~~The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body.~~

~~(ii)~~ (2) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

~~(iii)~~ (3) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

~~(2) Sixteen~~ (4) Twenty percent ~~(16%)~~ (20%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

- (A) is located in the county in which the riverboat docks; and
- (B) contains a historic hotel.

~~The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission. At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.~~

~~(3) Nine~~ (5) Ten percent ~~(9%)~~ (10%) of the admissions tax collected during the quarter shall be paid to the ~~historic hotel preservation~~ Orange County development commission established under IC 36-7-11.5. At least one-third (1/3) of the taxes paid to the Orange County development commission under this subdivision must be transferred to the Orange County convention and visitors bureau.

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~~(4) Twenty-five~~ (6) Thirteen percent ~~(25%)~~ (13%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

~~(5) (7)~~ Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the Indiana economic development corporation.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

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(A) embarking on a gambling excursion during the quarter; or  
 (B) admitted to a riverboat during the quarter that has  
 implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or  
 promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the  
 admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has  
 implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training  
 center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of  
 the admissions tax collected by the licensed owner for each  
 person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has  
 implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity  
 that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the  
 admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has  
 implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The  
 division shall allocate ~~at least twenty-five percent (25%)~~ **all** of the  
 funds derived from the admissions tax to the prevention and  
 treatment of compulsive gambling.

(7) Except as provided in subsection (k) *and section 7 of this  
 chapter*, sixty-five cents (\$0.65) of the admissions tax collected  
 by the licensed owner for each person embarking on a gambling  
 excursion during the quarter or admitted to a riverboat during the  
 quarter that has implemented flexible scheduling under  
 IC 4-33-6-21 shall be paid to the Indiana horse racing commission  
 to be distributed as follows, in amounts determined by the Indiana  
 horse racing commission, for the promotion and operation of  
 horse racing in Indiana:

(A) To one (1) or more breed development funds established  
 by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse  
 racing commission under IC 4-31. The commission may make

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a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through ~~(c)(2)~~, (c)(4), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of ~~addictions to drugs, alcohol, and~~ compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about ~~these addictions:~~ **compulsive gambling**. The division shall allocate ~~at least twenty-five percent (25%)~~ **all** of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

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(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

(1) ~~exceed~~ exceeds a particular entity's base year revenue; and

(2) would otherwise be due to the entity under this section; to the property tax replacement fund instead of to the entity.

SECTION 2. IC 12-23-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. The general assembly shall appropriate money from the addiction services fund solely for the purpose of funding programs:

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- (1) that provide prevention services and intervention and treatment services for individuals who are psychologically or physiologically dependent upon alcohol or other drugs; and  
 (2) for the prevention and treatment of gambling problems.

Programs funded by the addiction services fund must include the creation and maintenance of a toll free telephone line under ~~IC 4-33-12-6-(f)(3)~~ **IC 4-33-12-6(g)(3)** to provide the public with information about ~~programs that provide help with gambling, alcohol, and drug addiction problems.~~ **compulsive gambling.**

SECTION 3. IC 12-23-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) For each state fiscal year, the division may not spend more than an amount equal to five percent (5%) of the total amount received by the division from the fund established under section 2 of this chapter for the administrative costs associated with the use of money received from the fund.

(b) The division shall allocate ~~at least twenty-five percent (25%)~~ **all** of the funds derived from the riverboat admissions tax under IC 4-33-12-6 to the prevention and treatment of compulsive gambling.

(c) The division shall reimburse the Indiana gaming commission for the costs incurred in administering a voluntary exclusion program established under the rules of the Indiana gaming commission. The division shall pay the reimbursement from funds derived from the riverboat admissions tax under IC 4-33-12-6.

SECTION 4. IC 12-23-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) Except as provided in subsection (b), for each state fiscal year, the division shall distribute an amount equal to at least thirty-three percent (33%) of the total amount received ~~by the division from the addiction services fund established by section 2 of this chapter from the deposit of excise taxes on alcoholic beverages into the fund~~ during the immediately preceding fiscal year to local programs that provide prevention services and intervention and treatment services for individuals who are

~~(1) psychologically or physiologically dependent upon alcohol or other drugs. or~~

~~(2) psychologically dependent on gambling.~~

(b) The amount described in subsection (a) may not be distributed to a county home, a local mental health program established under IC 12-29, or a state institution.

SECTION 5. IC 12-23-2-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 9. The division shall provide services and programs funded by the addiction services fund to any individual in need of**

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1 the program or service without regard to the family income of the  
2 individual.

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